



# Small Business Insurance Group

Wednesday, September 25, 2019

All meetings will be 9:30 to 11:30 as requested by RIPEC  
United Way of SENE

# PRIOR ACCOMPLISHMENTS

- Last year, we put a workgroup together that focused on the stability of insurance costs for individuals (including sole proprietor businesses).
- We were successful in translating the recommendations of that workgroup into a successful state legislative effort, including:
  - ✓ an individual mandate penalty
  - ✓ a state reinsurance program,
  - ✓ the recent approval of a federal waiver, that will result in average decreased premiums for individuals/sole proprietors.
- Individual Market Rates - filed and approved

	NHPRI	BCBSRI
2019	8.7%	7.5%
2020	<b>0.2%</b>	<b>-1.5%</b>

*We are now turning our attention to businesses of 2 to 50 employees, to review data and policy options to address challenges in this insurance market.*

# OUR CHARGE

## Mission

As health care costs increase, the ability of Rhode Island small businesses (2-50 group size) to provide group coverage is impacted and fewer small groups participate in the small group risk pool.

Since 2010, the number of lives in the Small Group Market has decreased by 44%, and many small groups seek affordable insurance options.

The **Small Business Insurance Group (SBIG) on Market Stability** will investigate the origins and nature of these issues, reviewing Rhode Island's Small Group Market as well as market stabilizing strategies from other states.

Based off this analysis, the SBIG may consider **recommendations to improve Rhode Island's Small Group Market, whether legislatively or otherwise.**

## Guiding Principles

1. Maintain a Small Group market that is attractive to businesses, carriers and employees;
2. Keep costs stable by sustaining a balanced risk pool; and
3. Maximize value of insurance coverage for all small businesses

## Goals

Identify and propose sensible, state-based policy options for RI that will be in service to those Principles.

# WORKGROUP MEETING LOGISTICS

- **Committee Chairs:** Marie Ganim and Lindsay Lang
- **Seven** meetings from September to January – every 2-3 weeks
- **Tuesday or Wednesday mornings 9:30-11am** -- with one afternoon exception;
- **Location:** First 2 meetings at United Way of Southeastern New England (other locations TBD)
- **Parking:** in United Way lot, additional street parking is available
- **Agendas, minutes and materials** posted to the Secretary of State's website

# INTRODUCTIONS

- **Mike Ayotte**, Aetna
- **Marc Backon**, Tufts Health Plan
- **Marcela Betancur**, Latino Policy Institute
- **Steve Boyle**, Greater Cranston Chamber of Commerce
- **Sarah Bratko**, Rhode Island Hospitality Association
- **Al Charbonneau**, Rhode Island Business Group on Health
- **Dave Chenevert**, Rhode Island Manufacturers Association
- **Ralph Coppola**
- **Erin Donovan-Boyle**, Newport County Chamber of Commerce
- **Marie Ganim**, Office of the Health Insurance Commissioner
- **Peter Hollman**, Rhode Island Medical Society
- **Lindsay Lang**, HealthSource RI
- **Dr. John Luo**, Dr's Choice USA Northern RI Chamber
- **John Marcantonio**, or **Joyce Therrien**, Builders Insurance, RI Builders Association
- **Scott Mathieu**, United Healthcare
- **Elizabeth McClaine**, Neighborhood Health Plan of Rhode Island
- **Jamie Moran**, Provider Group
- **Monica Neronha**, Blue Cross Blue Shield of Rhode Island
- **Sam Salganik**, Rhode Island Parent Information Network
- **John Simmons**, Rhode Island Public Expenditure Council
- **Susan Storti**, Substance Use and Mental Health Leadership Council of Rhode Island
- **Melissa Travis**, Rhode Island Society of CPAs
- **Larry Warner**, United Way of Rhode Island
- **TBD**, HealthSource RI for Employers

# SEVEN WEEK SYLLABUS

RI Small Business Insurance Group (SBIG) Schedule

Topic(s) for Discussion	Meeting Date
<b>Meeting 1</b> <b>Introductions + Setting the Stage</b>	Wednesday, Sept 25
<b>Meeting 2</b> <b>What has been accomplished + What is at risk in RI</b>	Tuesday, Oct 8 <i>Note: timing 1:00 – 2:30pm</i>
<b>Meeting 3</b> <b>Local carrier and national expert perspectives</b>	Tuesday, Oct 29
<b>Meeting 4</b> <b>Policy Deep-Dive (Based on Meeting 2/3 material)</b>	Wednesday, Nov 20
<b>Meeting 5</b> <b>Policy Deep-Dive Continued</b>	Wednesday, Dec 11
<b>Meeting 6</b> <b>Developing Recommendations</b>	Wednesday Jan 8
<b>Meeting 7</b> <b>Finalizing Recommendations</b>	Wednesday, Jan 22

# **PROGRESS, CHALLENGES AND OPPORTUNITIES**

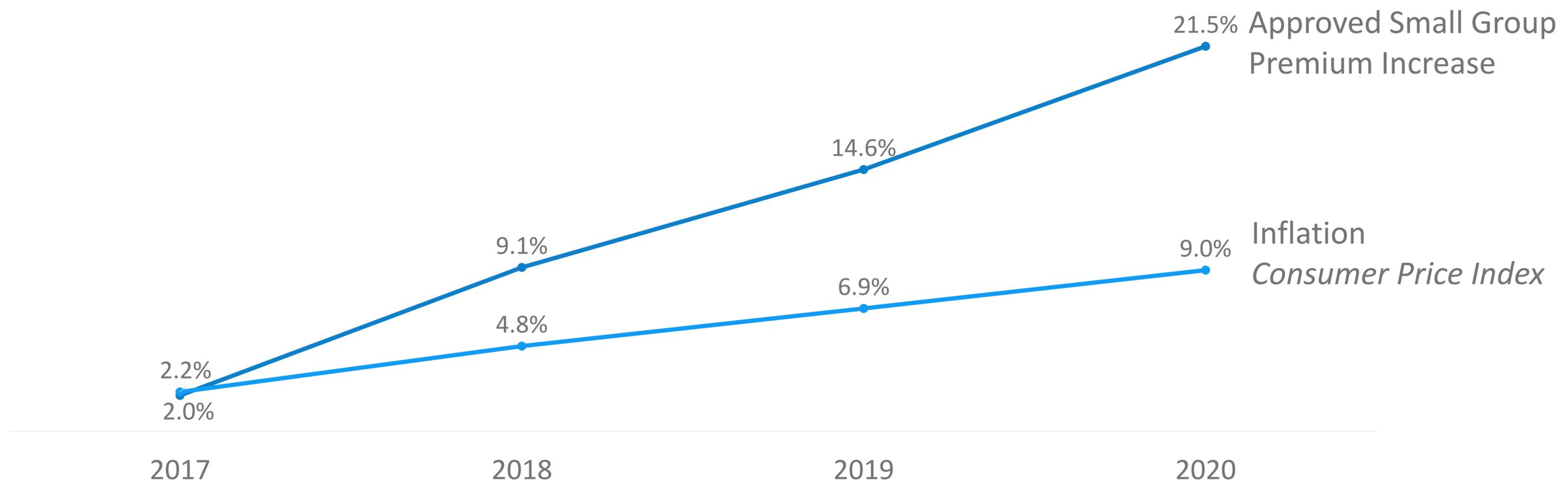
## RECENT PROGRESS IN RHODE ISLAND

- The rate of **uninsured has dropped by nearly two-thirds**, from almost 12% to 4% today
- Through enhanced form and rate review provided through the ACA, **OHIC has reduced proposed premiums by \$273m** since 2012
- **HSRI benchmark premiums have decreased** in 3 of the past 6 years.
- Through 2018, Rhode Islanders have benefitted from approximately **\$450 million in federal financial assistance** provided under the ACA to help make coverage more affordable.
- Consumers (individuals, employers and employees) have all had a **choice of plans and carriers**

# OUR FOCUS: SMALL GROUP MARKET

## AFFORDABILITY

Cumulative Changes Health Insurance Premiums vs. Inflation  
*RI Small Group, 2017-2020*

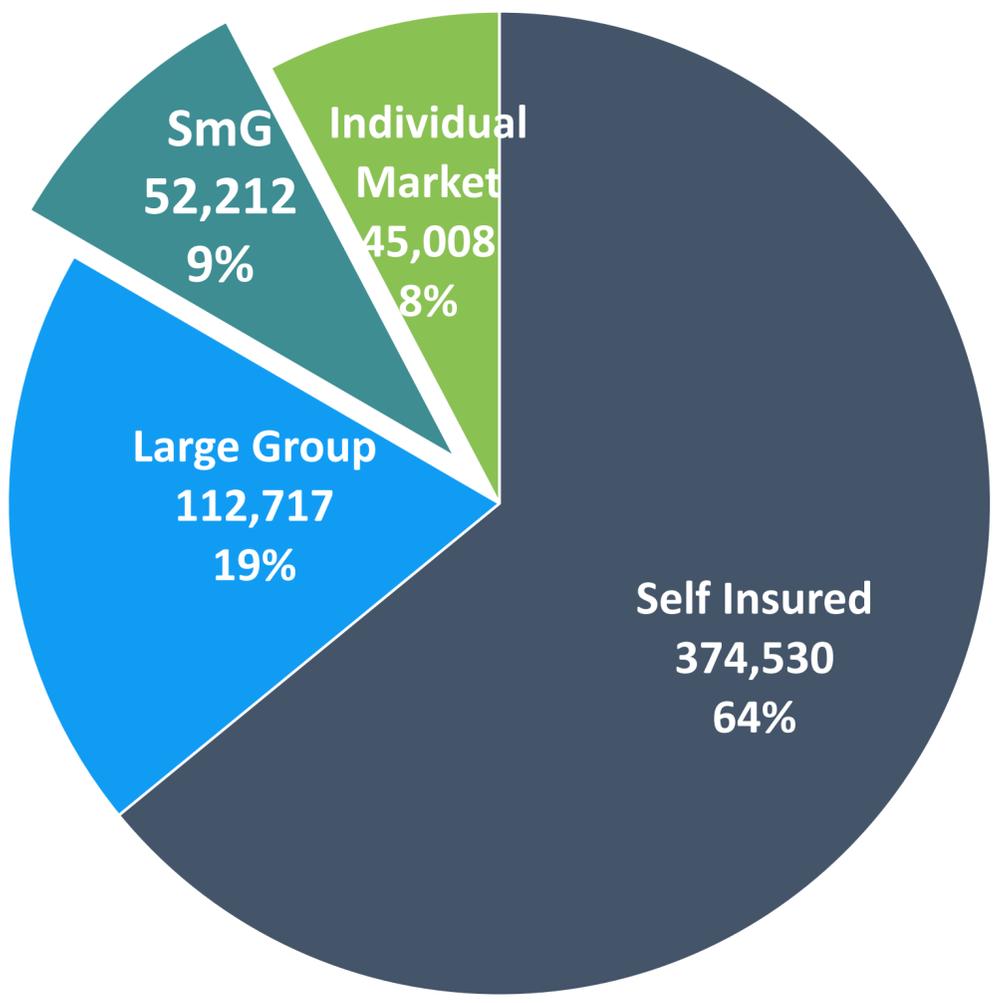


Source: OHIC press release on approved rate increases, weighted by member months by carrier. CPI from Bureau of Labor Statistics Consumer Price Index, all items. CPI rate for 2019 and 2020 is estimated to be 2%.

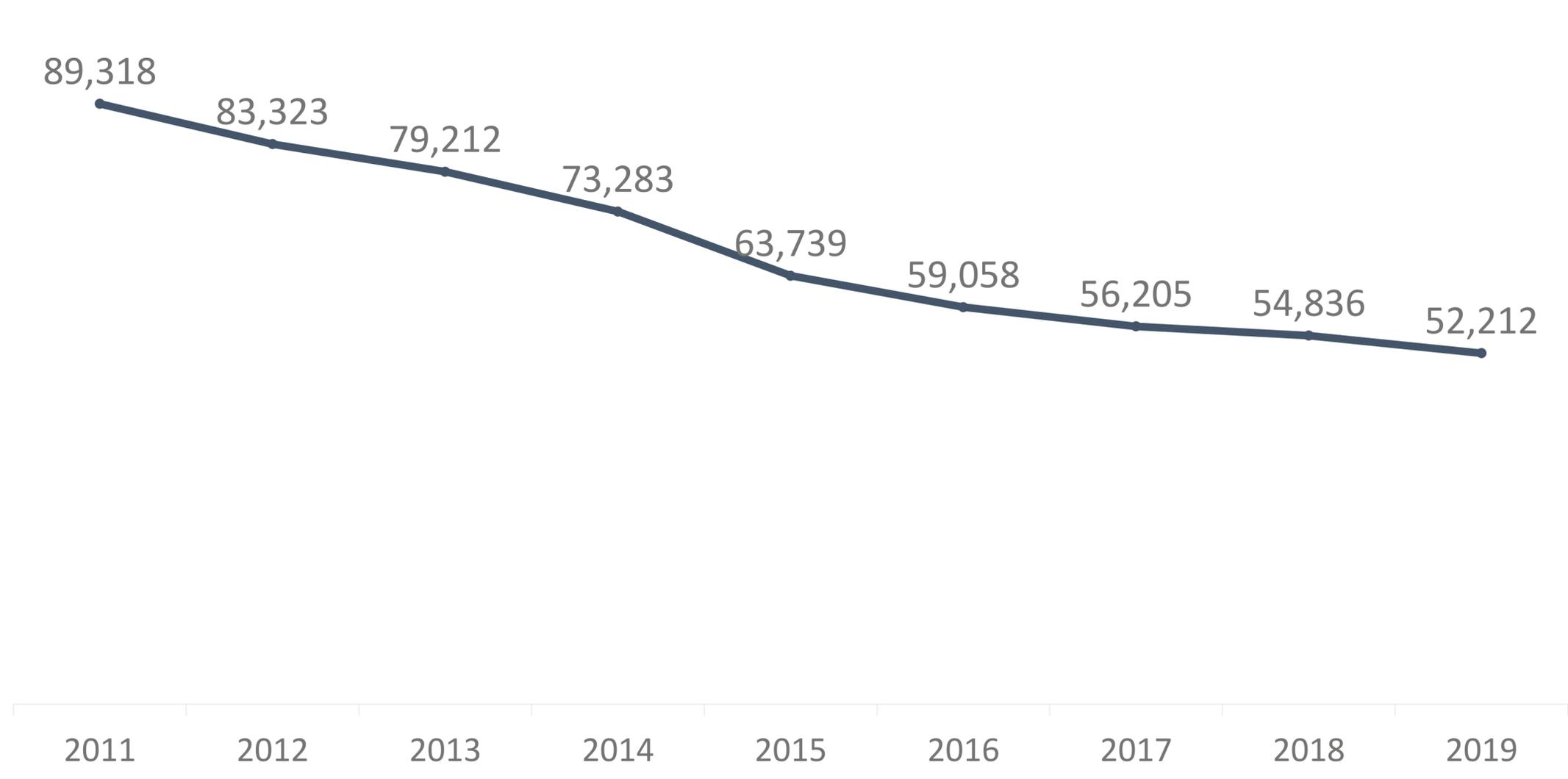
# OUR CHALLENGE: SMALL GROUP MARKET

## *KEEPING PEOPLE IN THE POOL*

### RI Private Insurance Market *2019*



### RI Small Group Enrollment *2011-2019*



Source: OHIC All Carriers Enrollment Report, As of April 2019, RI Business, regardless of employee residence

# KEY CONCERN: SMALL GROUP MARKET



## Employers

- Premiums/Costs
- Employee participation
- Benefits



## Members

- Access and choice
- Affordability protections
- Cost-sharing
- Benefits



## Carriers

- Carrier participation
- Financial stability

# QUESTIONS WE WILL EXPLORE

## Observed Small Group Insurance Trends

- **Enrollment Trends - Sources of decline**  
Is it in certain industries, size subsegments? demographics? geographies?
- **Underlying cost trends**  
degradation of the small group risk pool? Increased volatility?
- **Benchmarking** vs. other states, other market segments

## Why have these trends occurred?

- **Key drivers of recent declines?**  
Employer offer rate? Employee eligibility restrictions? Employee choice?
- **Where are they going?**  
Shifting to other carriers, out-of-state offerings, self-insured? Dropping coverage?

## What can/should be done to address these trends?

- How has/might **recent federal action** impact these trends?
- What action has been taken in other states?
- What might we consider here in Rhode Island?

**Policy options to be developed over the course of meetings 2 and 3 with the group's input.**

# WRAP-UP DISCUSSION

- Are there gaps in our agenda as outlined?
- What would be helpful to you as a member of this workgroup throughout this process?
- Is there additional information you would like to consider/have access to as a member of this Workgroup?
- Is there any relevant information you have that you are willing to share with the Workgroup?

***NOTE - policy options to be developed over the course of meeting 2/3 with your input***

**PUBLIC COMMENT?**

**THANK YOU**



**HealthSourceRI**  
WE WORK FOR YOU



OFFICE OF THE  
**HEALTH INSURANCE COMMISSIONER**  
STATE OF RHODE ISLAND

